

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : **Chapter 11**
:
SEARS HOLDINGS CORPORATION, et al., : **Case No. 18-23538 (RDD)**
:
Debtors.¹ : **(Jointly Administered)**
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**THIRD SUPPLEMENTAL DECLARATION OF
PAUL M. BASTA IN SUPPORT OF DEBTORS' APPLICATION
FOR AN ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT OF
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP AS ATTORNEYS
FOR THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE**

PAUL M. BASTA makes this supplemental declaration under 28 U.S.C. § 1746:

1. I am a partner in the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul, Weiss" or the "Firm"), an international law firm with its principal offices at 1285 Avenue of the Americas, New York, New York 10019. I am a lead attorney from Paul, Weiss working on the above-captioned chapter 11 cases. I am a member in good standing of the Bar of

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); SHC Licensed Business LLC (3718); SHC Promotions LLC (9626); Sears Brands Management Corporation (5365); and SRE Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

the State of New York and I have been admitted to practice in the United States District Court for the Southern District of New York.

2. On November 16, 2018, the Court entered the *Modified Order Granting Application Authorizing the Retention and Employment of Paul, Weiss, Rifkind, Wharton & Garrison LLP as Attorneys for the Debtors and Debtors in Possession Nunc Pro Tunc to the Petition Date* [ECF No. 774], granting Paul, Weiss's application for an order authorizing the retention and employment of Paul, Weiss as counsel to the Debtors [ECF No. 417] (the "Retention Application").²

3. I submit this third supplemental declaration (this "Declaration") in connection with Paul, Weiss's retention as counsel to the Debtors, to supplement the disclosures in my prior declarations, submitted on November 1, 2018, and December 21, 2018 (the "Prior Declarations"). Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein.

4. On March 4, 2019, Richard Ramirez joined Paul, Weiss as an associate in the Bankruptcy & Corporate Reorganization Department, resident in the Firm's New York office. Mr. Ramirez was formerly associated with Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden").

5. Skadden represents Bank of America, N.A. ("BOA") in connection with these chapter 11 cases. Mr. Ramirez was engaged on Skadden's representation of BOA in connection with these chapter 11 cases from December 12, 2018 through December 20, 2018.

6. Mr. Ramirez has not participated, and will not participate, in any manner in the Firm's representation of the Debtors in these chapter 11 cases. Paul, Weiss has employed, and

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Retention Application.

will continue to employ, appropriate walling mechanisms to ensure that no confidential information about BOA is disclosed, even informally, to any attorney representing the Debtors.

Paul, Weiss's Disinterestedness

7. To the best of my knowledge and as stated in the Prior Declarations, (a) Paul, Weiss is “disinterested” as that term is defined in section 101(14) of the Bankruptcy Code and does not hold or represent an interest adverse to the Debtors’ estates pursuant to section 327(a) of the Bankruptcy Code, as clarified by section 1107(b), and (b) neither Paul, Weiss nor any of the partners, counsel, associates and paralegals of Paul, Weiss have any connection with or any interest adverse to any of the Debtors, their affiliates, their creditors or any other parties in interest, or their respective attorneys and accountants, except as may be disclosed herein or in the Prior Declarations. If any new relevant facts or relationships are discovered, Paul, Weiss will promptly file a supplemental declaration setting forth appropriate disclosure, as required by Bankruptcy Rule 2014(a).

8. For the reasons set forth above and in the Retention Application and the Prior Declarations, Paul, Weiss’s continued employment is necessary and in the best interests of the Debtors and their estates and comports with the requirements of section 327(a) of the Bankruptcy Code.

[Remainder of page intentionally left blank]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: March 4, 2019

/s/ Paul M. Basta

Paul M. Basta
Partner
Paul, Weiss, Rifkind, Wharton & Garrison LLP